

Office Memorandum • UNITED STATES GOVERNMENT

TO : Files

DATE: 2 December 1949

FROM : Legal Staff

SUBJECT: Customs Charges on Household Effects of FBIS Employees

1. In a telephone conversation with Mr. Houston Lay today regarding subject, I explained the inequities and inconveniences suffered by FBIS personnel stationed near London who were being taxed on personal possessions brought or sent into England. He explained that during the course of negotiations for the Consular Convention which has been signed but not yet ratified, it was proposed by the United States that all our Government employees should be exempted from taxes otherwise levied by the British Government on U. S. citizens. This would, in effect, extend the diplomatic immunity to them. The British were not amenable, and the suggestion was not incorporated in the final agreement. It does, however, contain a "most favored nation" clause and the exemption or its equivalent may yet be made available. At the moment, we are not in a position to inform the British what reciprocity may be extended to their citizens in regard to U. S. Taxes.

2. I told Mr. Lay that the Director was going to request advice from the Secretary of State in the matter. He saw no objection although he indicated that the letter should be well-documented and that any special considerations which would distinguish FBIS personnel from other U. S. Government personnel should be clearly stated. He also asked for a copy of the letter since his office would be directly concerned with the ultimate disposition of the question.

STAT